

# Performance Measurement Seminar



Government Efficiency and Financial  
Planning Division of OMB and  
State Personnel Department

May 18, 2007

# PROBE and Measures

## Section II-Planning

- Have specific long-term, results-based performance measures that are linked to the program purpose been established?
- Does the program have ambitious targets and timeframes for its long-term measures that reasonably compare with peer group activities?
- Have the program purpose, goals and measures been communicated throughout the organization and across program partners?

## Section IV-Results

- Has the program demonstrated adequate progress in achieving its long-term performance goals?

# PROBE Report

- Over half of the programs don't have measures
- OMB to work with agencies to develop program measures
- Migrate to performance informed budget development
  - Program measures will be required in the next budget development cycle to better inform executive and legislative decision-makers where resources are having the greatest impact and should be targeted

**Governor: "Demanding proof that government programs work, before spending additional taxpayer money on them, must become standard operating procedure."**

# **Governor Daniels' Transformation Vision**

**Through your efforts state government  
will become a performance-based  
organization that is:**

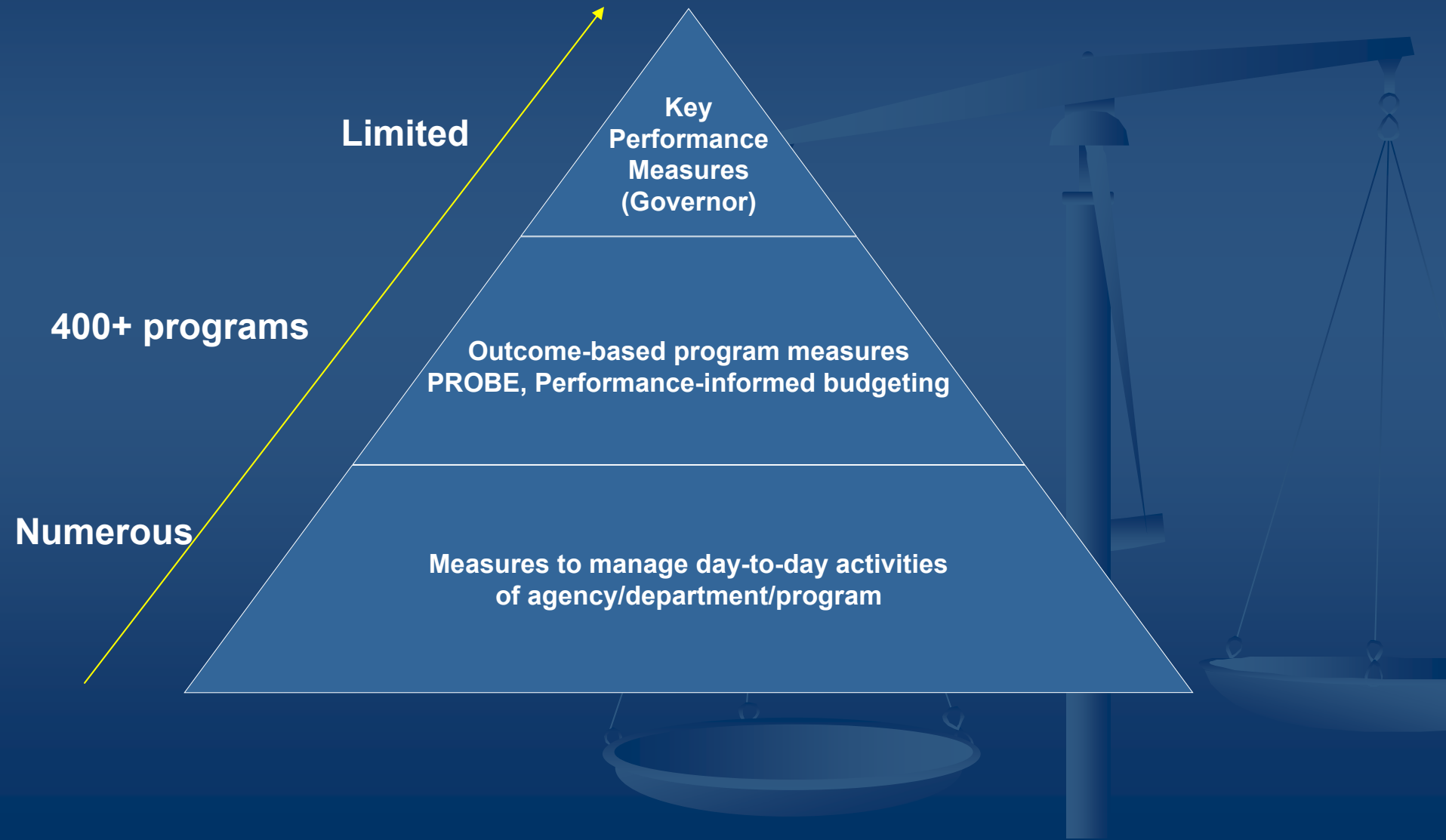
- **Committed to results**
- **Accountable through measurement**
- **Empowering to individual performance**
- **Aligned as one, not individual agencies**

# Results Driven Government

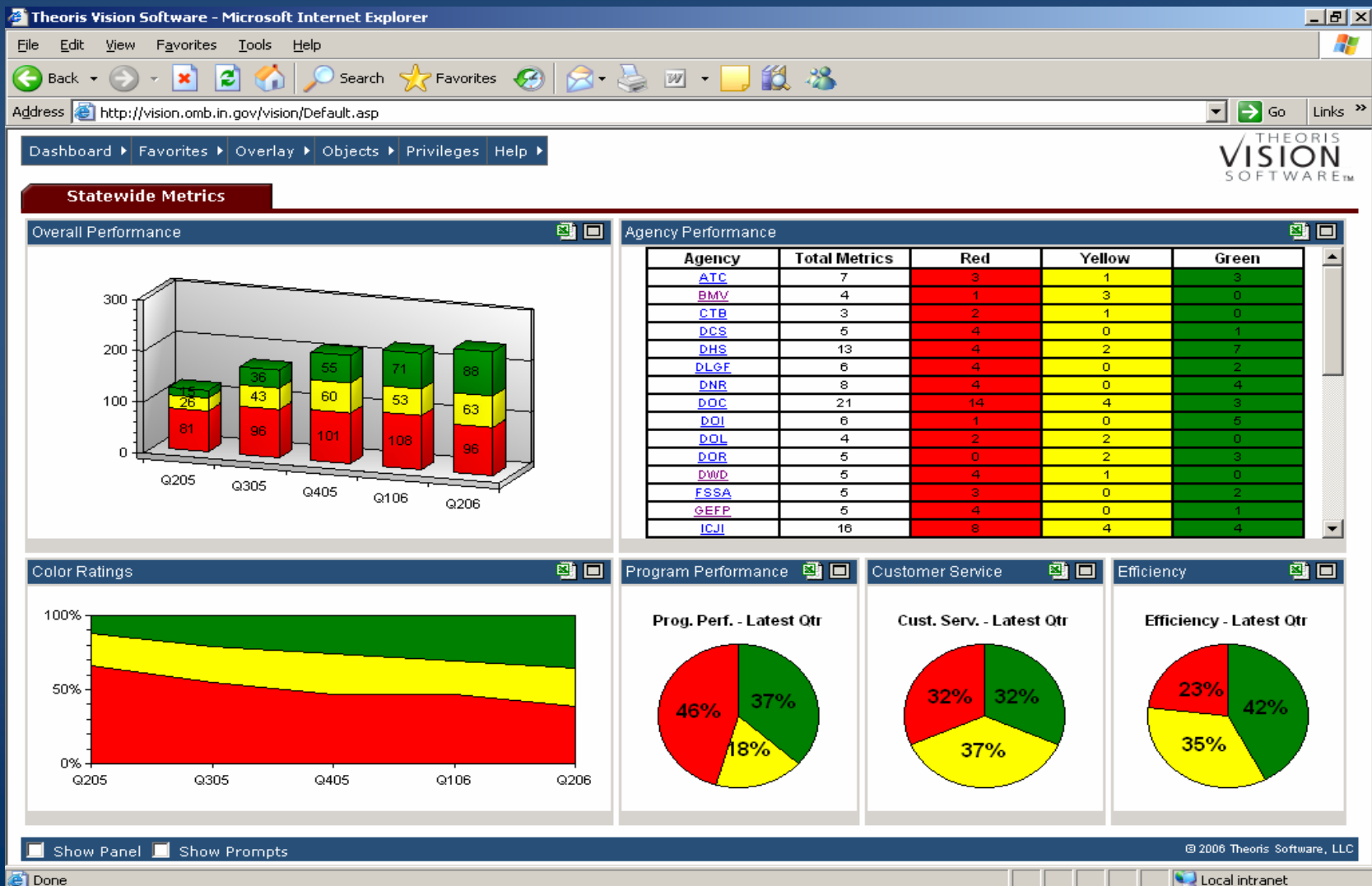
Performance Management system that cascades from high-level goals and objectives to individual performance

- **Agency Strategic Objectives**
  - Mission Statement
  - Strategic Plan
  - Array of Programs
- **Program Performance**
  - Activities and Resources
- **Personal Performance**
  - Individual contribution to program and agency performance

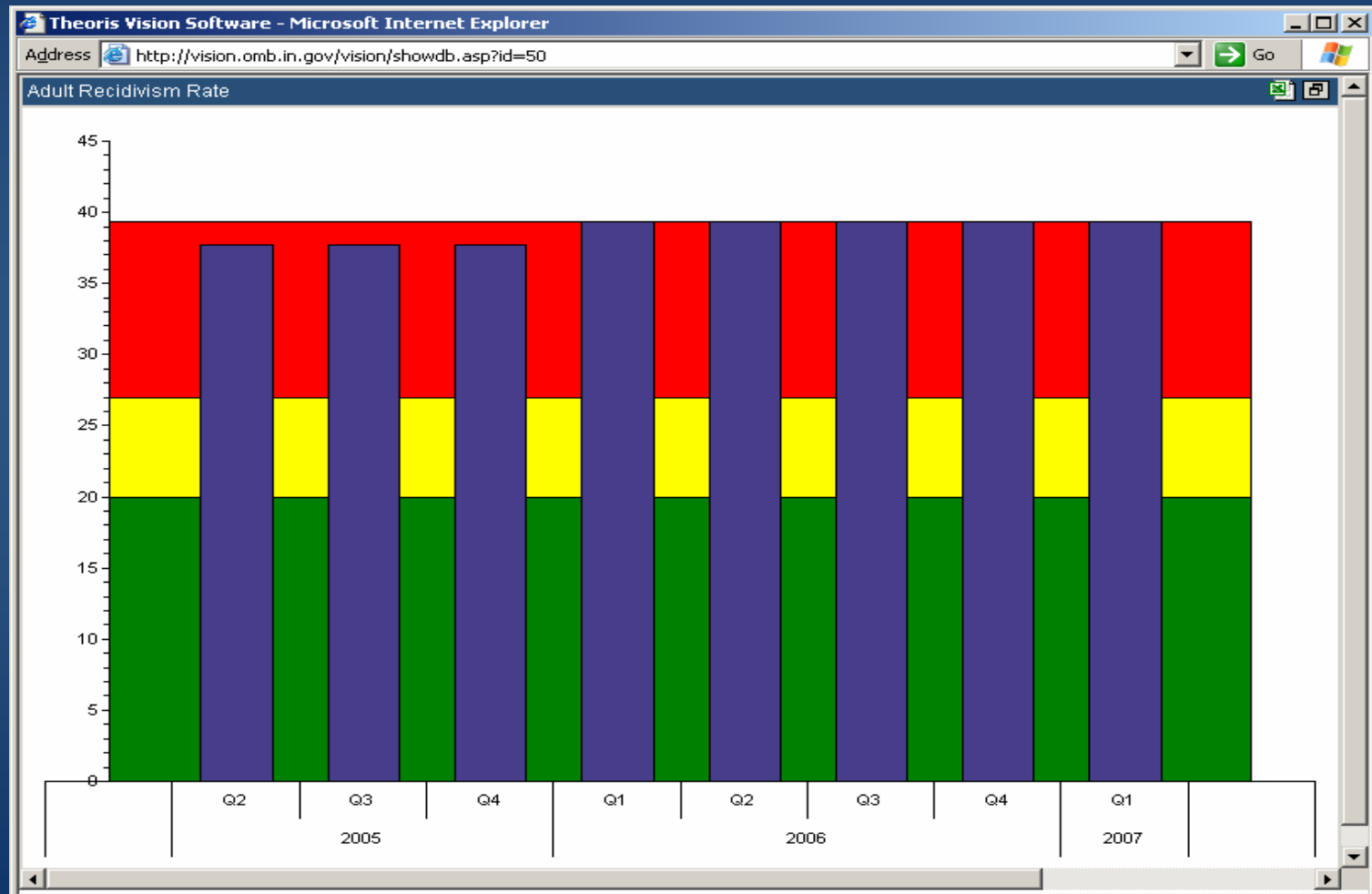
# Measurement Hierarchy



# Governor's Performance Measurement System



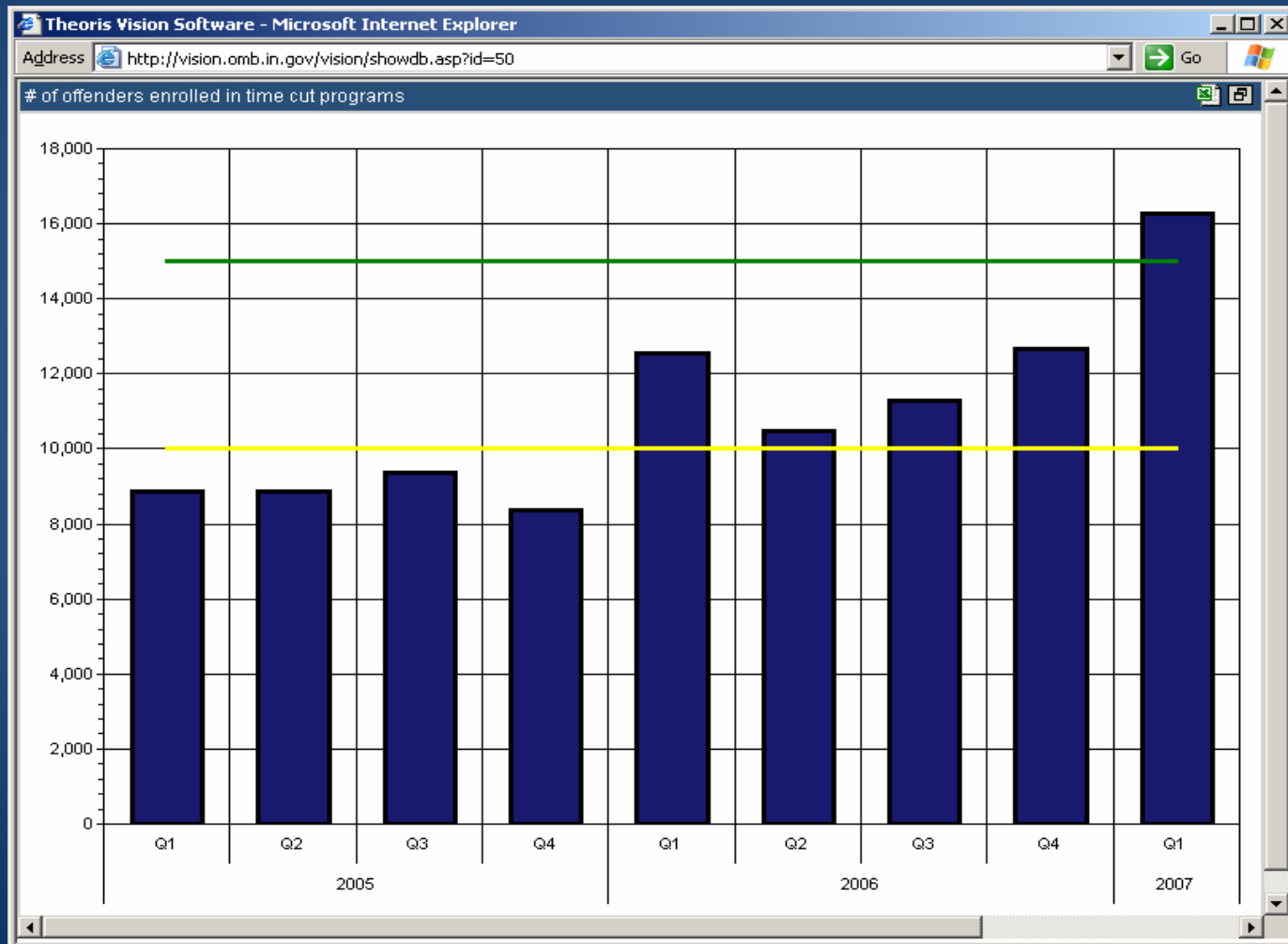
# Key Outcome Measure



Rate of Recidivism

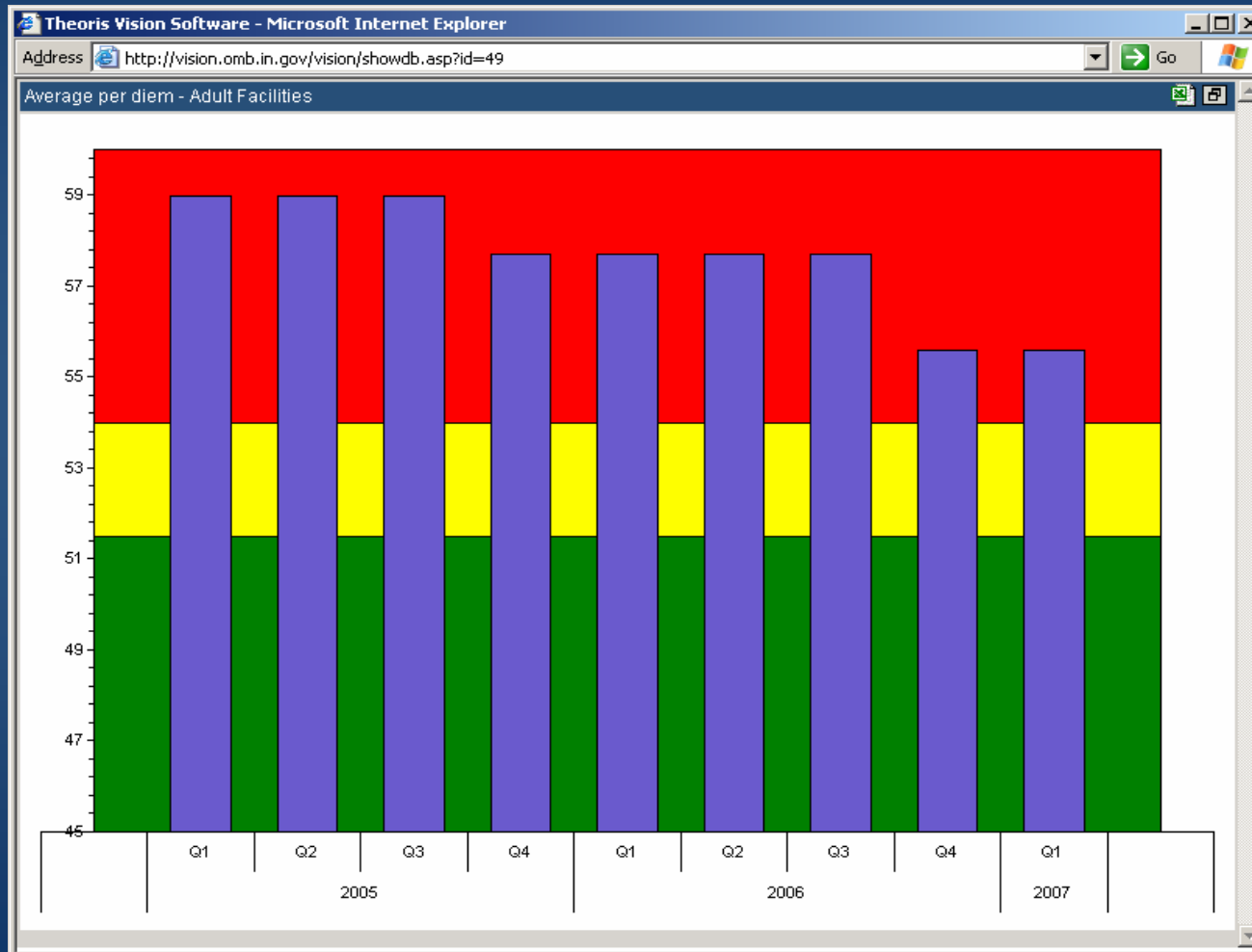


# Program Measure-Output



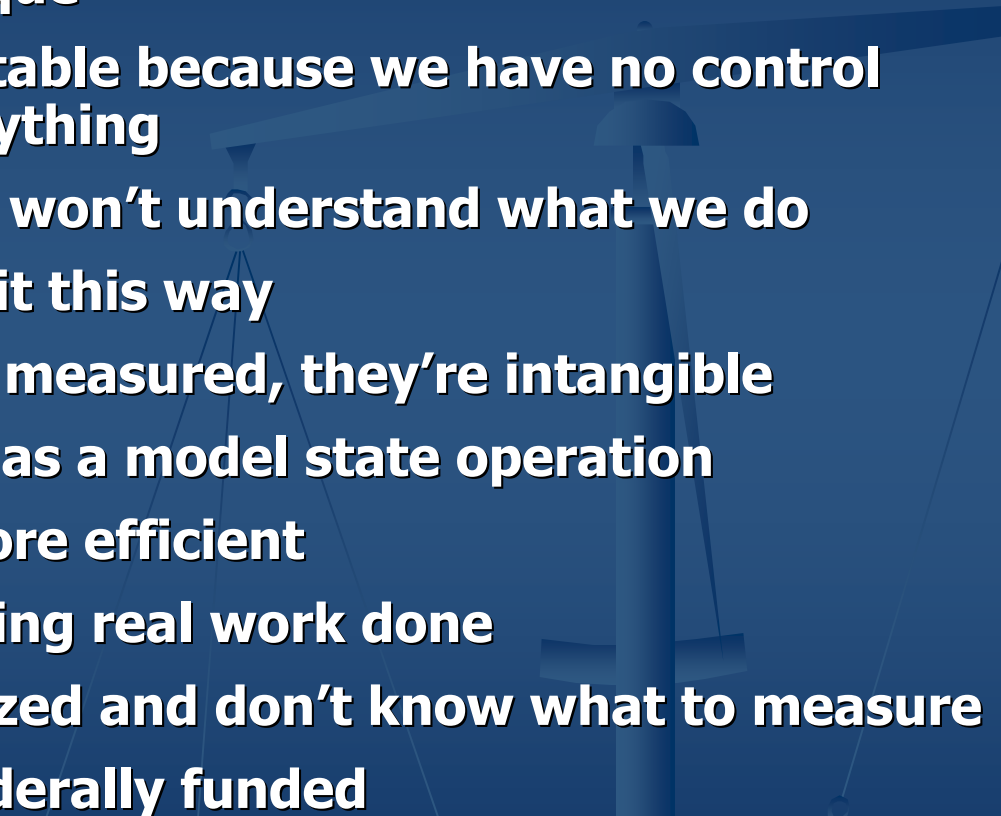
Number of offenders enrolled in rehabilitative programs

# Program Measure-Efficiency



Average Per Diem

# **Top 10 Reasons Not to Measure**

- 1. This program is unique**
  - 2. We can't be accountable because we have no control over anything/everything**
  - 3. The average person won't understand what we do**
  - 4. We've always done it this way**
  - 5. Our results can't be measured, they're intangible**
  - 6. The feds hold us up as a model state operation**
  - 7. We can't get any more efficient**
  - 8. We're too busy getting real work done**
  - 9. We've just reorganized and don't know what to measure**
  - 10. This program is federally funded**
- 

# Why Measure?

- **Plan**
  - Don't dwell on the past, focus on improving the future
- **Manage/Empower**
  - Accountability
- **Communicate**
  - Expectations
  - Results
    - PROBE
    - Budget Request
- **Learn/Evaluate/Adjust/Improve**
  - Optimize
  - Innovate



# Benefits of Performance Management

- **Strategic**
  - Define and validate policy
  - Measure and communicate progress
- **Operational**
  - Drives change
  - Achieve efficiencies
- **Individual**
  - Clarity of responsibilities, goals
  - Linkage to strategic goals and mission



# Types of Measures

- **Inputs**
- **Outputs**
- **Efficiency**
- **Customer Service**
- **Outcomes**



# Inputs

**Resources used by the program that are quantifiable**

- **Budget**
- **Staff**
- **Facilities/equipment**
- **Volunteers**
- **Contractors**



# Outputs

**Result of your activities-units of service delivered or products produced (still internally focused but are leading indicators of outcomes)**

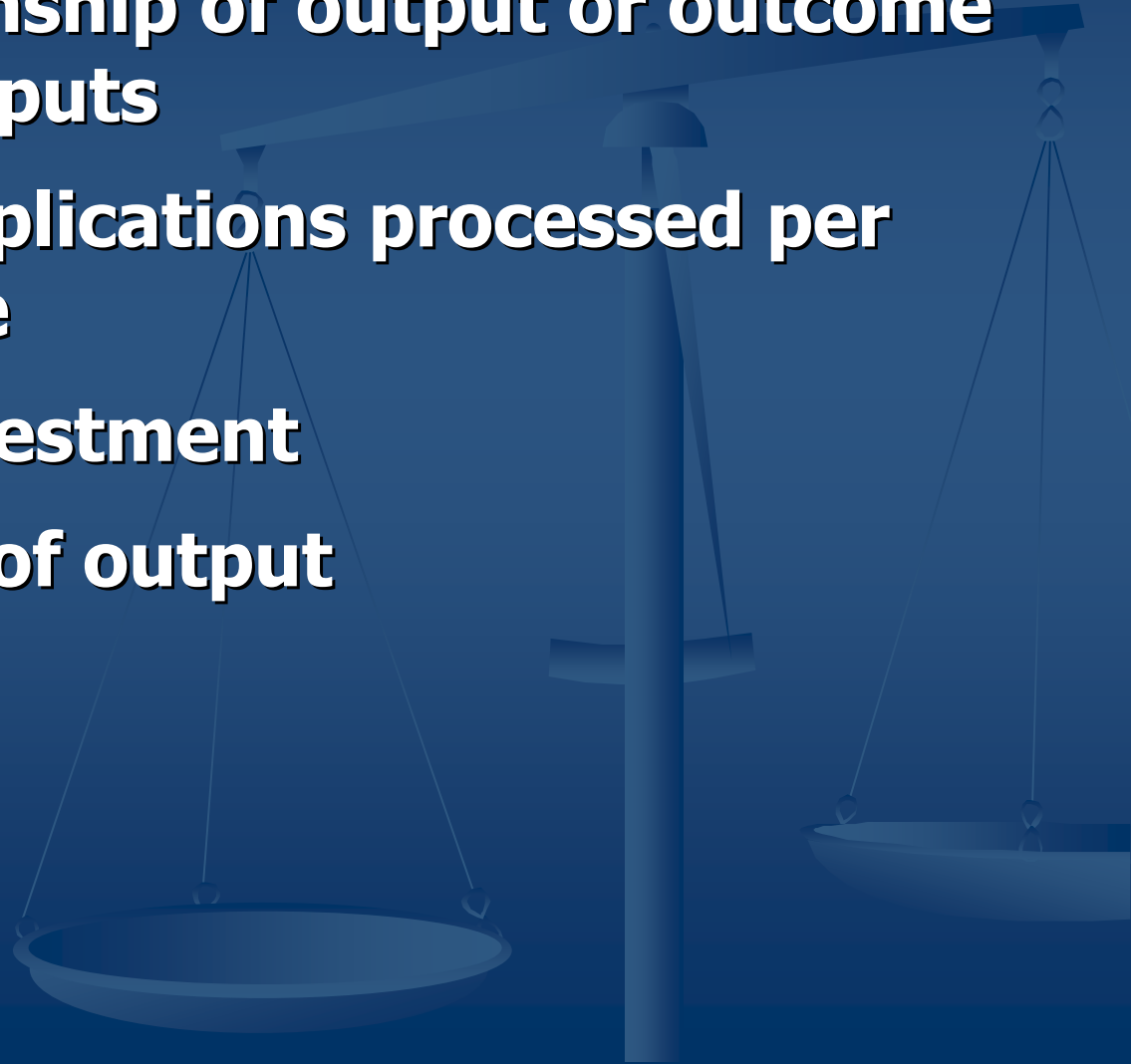
- **Number of people served, trained**
- **Permits/applications processed**
- **Cases closed**
- **Job placements**



# Efficiency

**Ratio or relationship of output or outcome to program inputs**

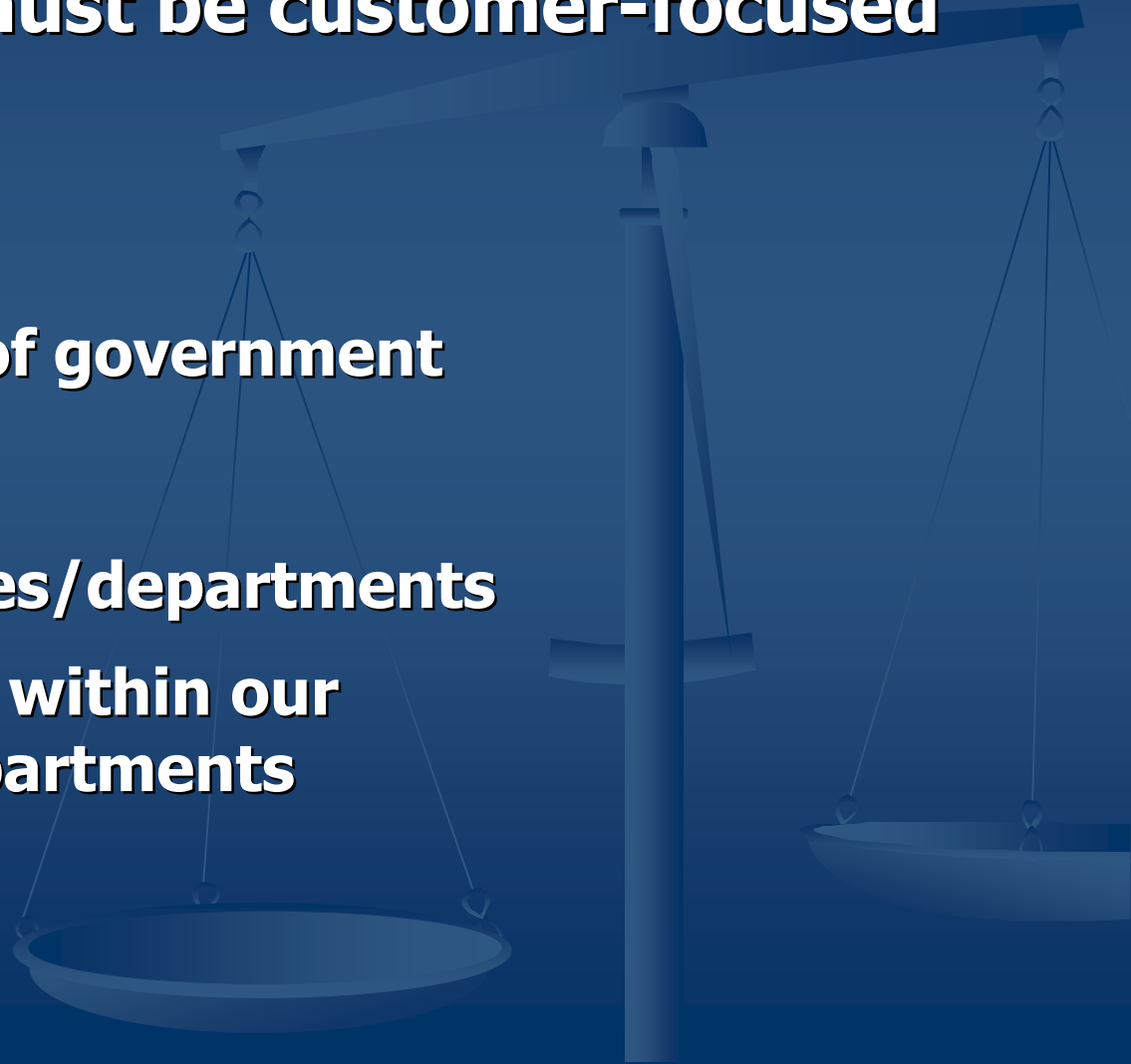
- **Permits or applications processed per period of time**
- **Return on investment**
- **Cost per unit of output**



# Customer Service

**Measurement must be customer-focused**

- **External**
  - **Citizens**
  - **Other levels of government**
- **Internal**
  - **Other agencies/departments**
  - **Other groups within our agencies/departments**



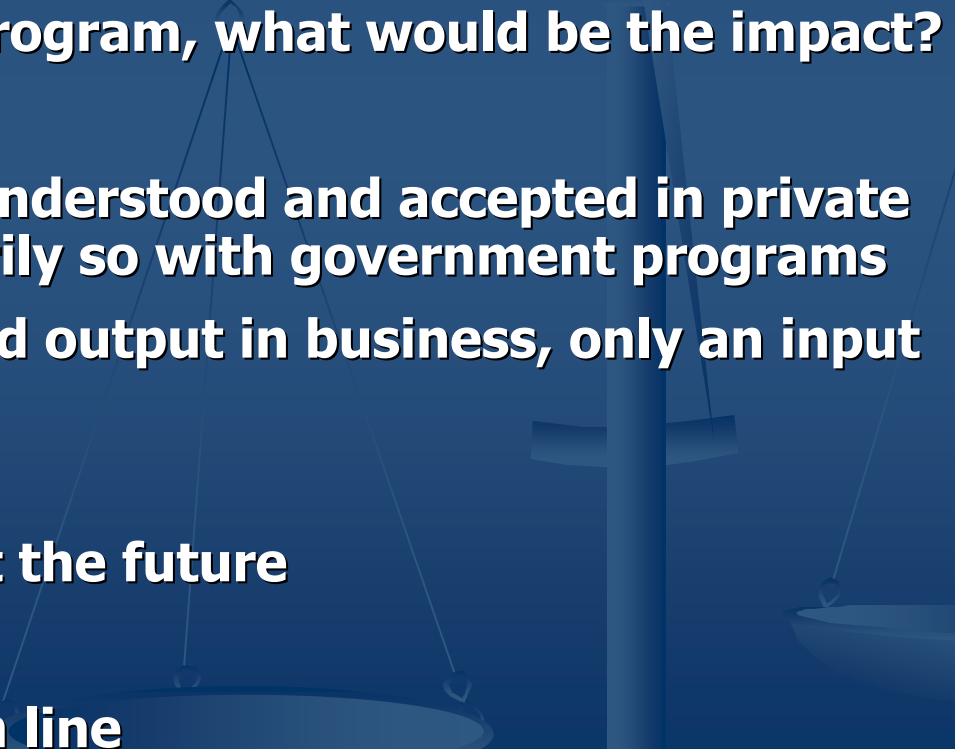
# Outcomes

**How has the intended program beneficiary changed?**

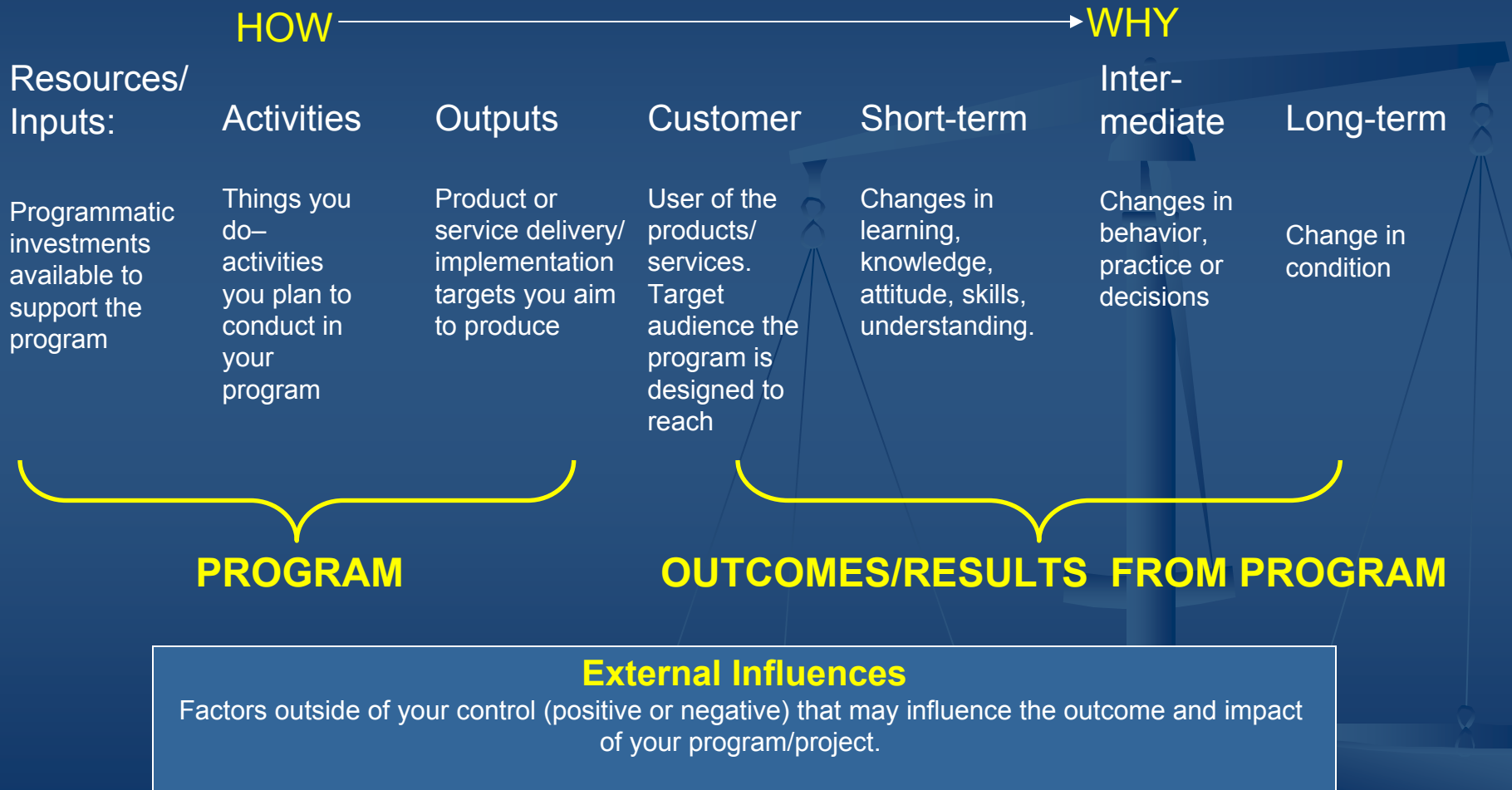
- **Job applicants still employed six months after placement**
- **Percentage of counties with clean air attainment**
- **Recidivism**

# Outcomes

**Indicators of success that are tied to the program mission**

- **If we stopped the program, what would be the impact?**
  - **Measures are well understood and accepted in private sector, not necessarily so with government programs**
    - **Money: input and output in business, only an input in govt.**
  - **Outcomes are about the future**
  - **Public Value-bottom line**
- 

# Measures are Connected



# Safe Roadways

## Resources/ Inputs:

# of **State Police**  
Troopers on the road

**CJI** Traffic  
Safety grants

**INDOT** budget,  
FTEs

## Activities

Patrolling

Enforce-  
ment  
programs

Highway  
Maintenance  
Program,  
Intelligent  
Traffic  
Systems

## Outputs

# of Tickets,  
Warnings,  
DUI arrests

# of Warnings,  
Tickets,  
DUI stops

Lane miles  
repaired,  
cars/hour/mile

## Customer

Traveling  
public

## Short-term

Increased  
driver  
awareness

Increased seat  
belt usage

## Inter- mediate

Reduced  
speeds,  
Fewer  
accidents,  
Less  
congestion

## Long-term

Sustained  
reduction in  
traffic  
fatalities,  
injured  
highway  
workers,  
property  
damage

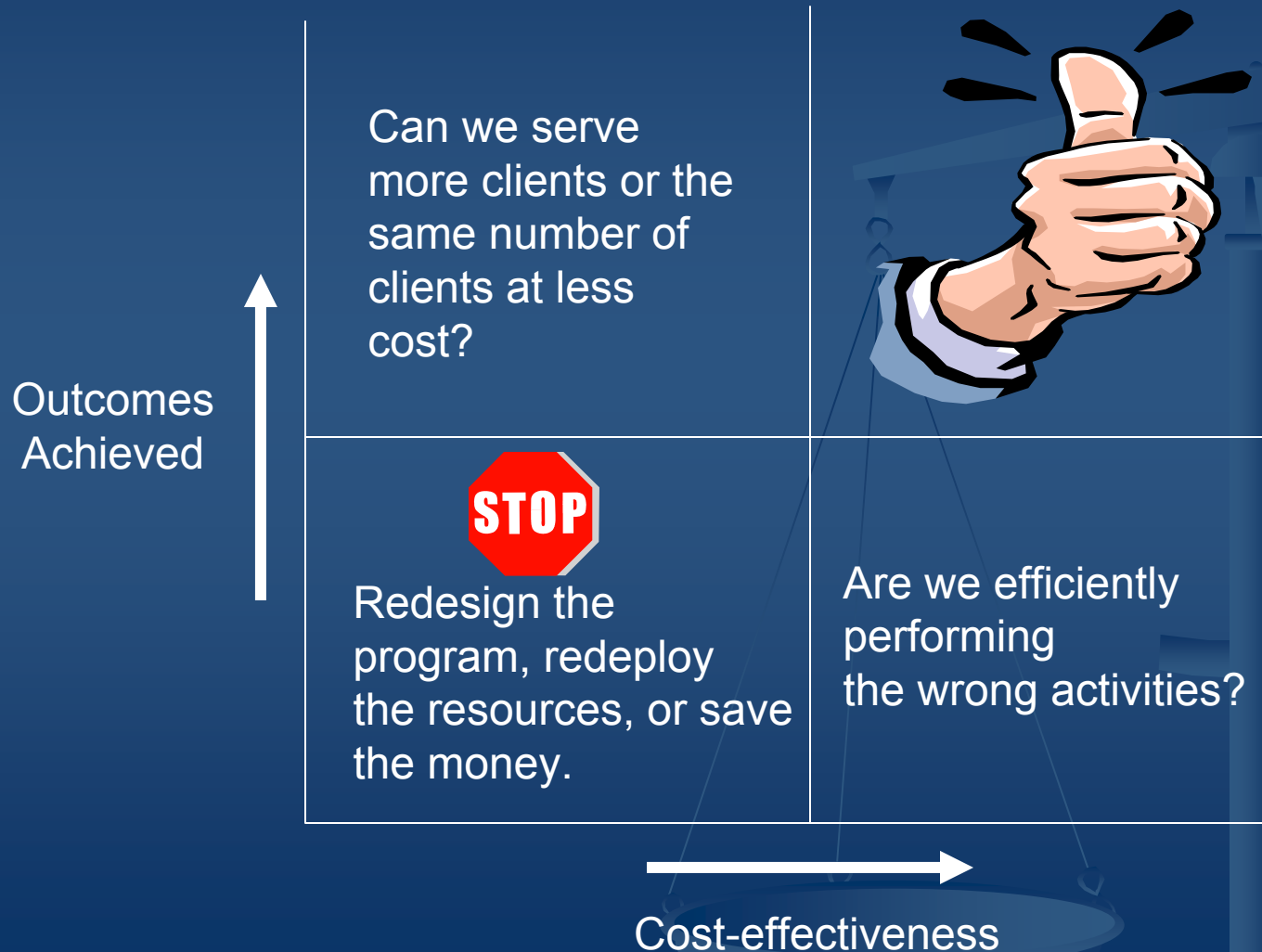
## PROGRAM

## OUTCOMES/RESULTS FROM PROGRAM

### External Influences

Weather, Road construction, Special Events

# Public Benefit



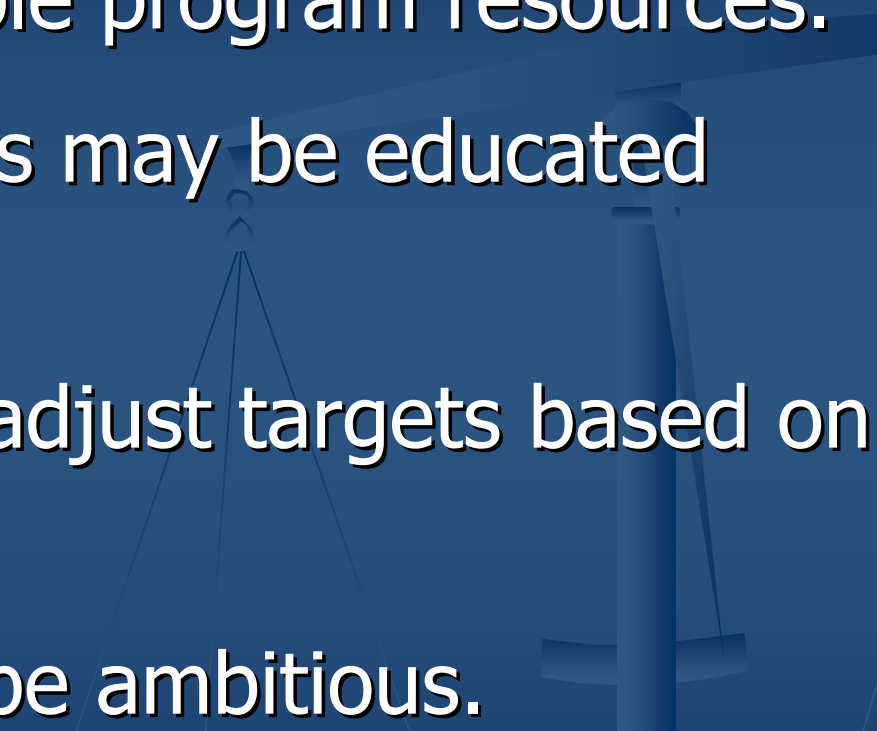
# What is a Target?

- Describes amount of change you anticipate achieving for the time period
- Specific, measurable amount of change that will signify “success”
- Outcome Target:
  - Who will experience change?
  - How many people will experience change?
  - How much change will occur (compared to baseline)?
  - Over what time period will change occur?





# Advice about Targets

- Consider available program resources.
  - First year targets may be educated guesses.
  - Be prepared to adjust targets based on experience.
  - Targets should be ambitious.
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- A faint, stylized illustration of a balance scale is visible in the background. The scale is tilted, with the right pan being higher than the left pan. The pans are simple, shallow bowls. The entire image has a dark blue background with a subtle gradient.

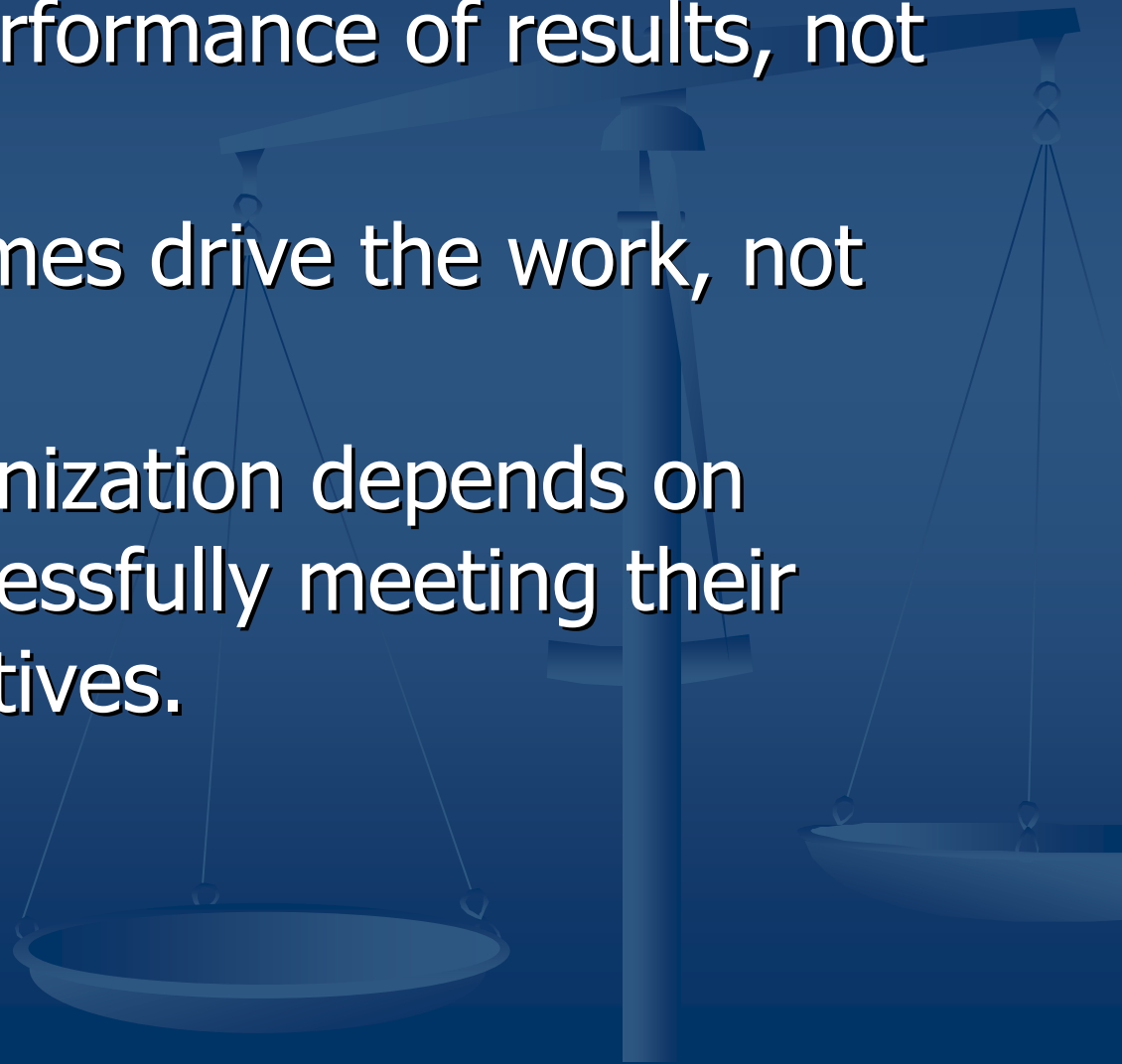
# Performance Management

- Process for aligning individual performance with the organization's mission, vision, and strategic objectives.
- Way to create performance-based culture.



# Performance-based culture: key characteristics

- Emphasis on performance of results, not activities.
- Strategic outcomes drive the work, not “rules.”
- Success of organization depends on employees successfully meeting their individual objectives.



# How does this differ from past performance appraisal systems?

- Old way was bottom up—individual job descriptions are foundation.
- Focus is day to day responsibilities.
- Performance of the individual does not necessarily lead to success of organization.



# How does this differ from past performance appraisal systems

- New system is “top-down.”
- Begin with agency mission, vision and strategic objectives.
- Strategic plan is then cascaded down to each division, program, and facility and ultimately each employee.



# What is success?

- Each employee understands how his or her goals contribute toward accomplishing the agency's strategic plan.
- Does this describe your agency?



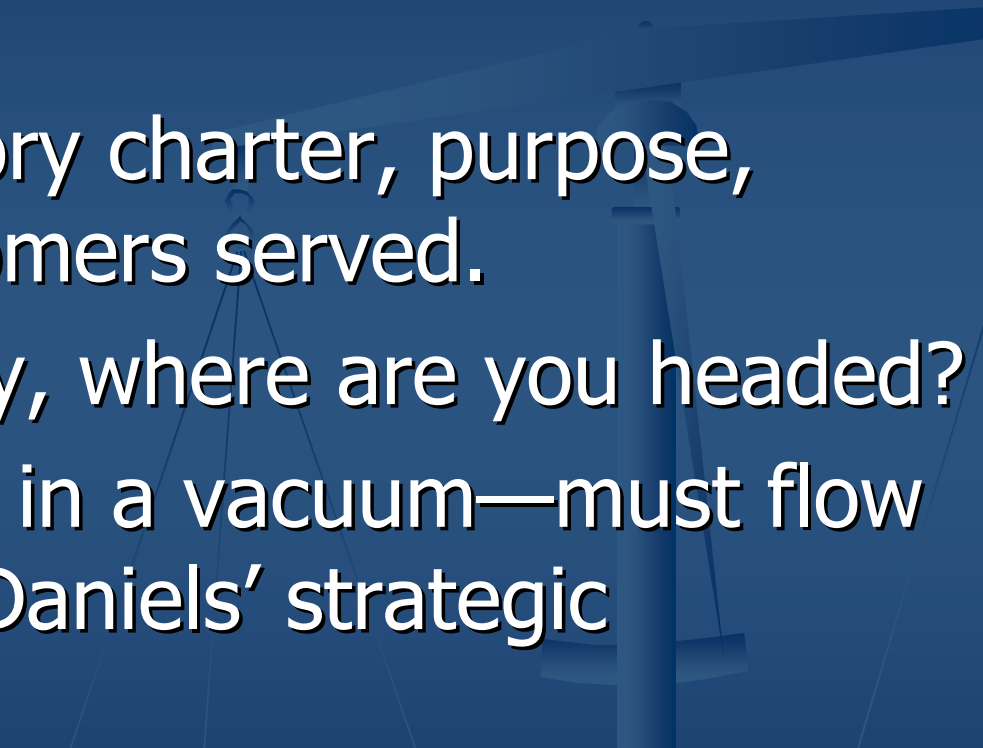
# How do we get there?

- Planning
- Communicating
- Measuring





# Planning process

- Leader-driven.
  - Consider statutory charter, purpose, programs, customers served.
  - Most importantly, where are you headed?
  - Cannot be done in a vacuum—must flow from Governor Daniels' strategic objectives.
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- A faint, stylized image of a balance scale is visible in the background, positioned on the right side of the slide. The scale is tilted, with the right pan being higher than the left pan. The image is rendered in a light blue color that blends into the dark blue background.

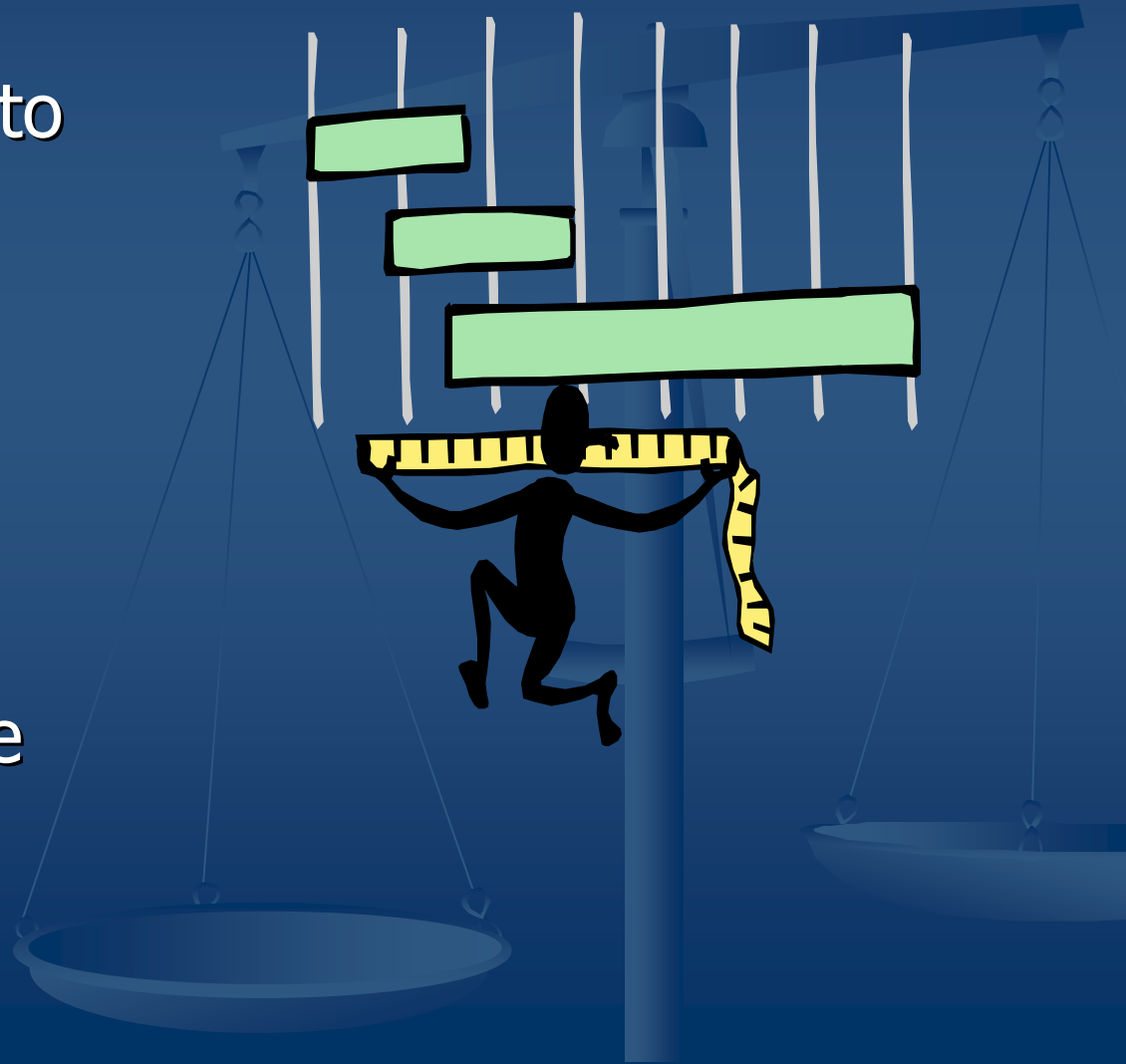


# Communicate to Employees

- Agency mission, vision and strategic plan
  - Communicated often using different media so that you are certain the message is understood.
- How the employee's performance contributes to the accomplishment of strategic plan.
- Exactly what their performance goals are and how they will be measured.

# Measuring

- Just as programs require measures to determine effectiveness, employees' performance expectations need clear measures in order to determine success.



# Case study-State Personnel

Structure to be followed in this case study:

- Governor's strategic objective
  - State Personnel's strategic objective
    - Individual performance expectation for a member of SPD executive staff

# Case Study-State Personnel

- Streamline government
  - Streamline the provision of human resource services by centralizing service in SPD.
    - Conduct a workflow analysis of the Employee Data section of SPD and develop a streamlined organization that improves service to the centralized agencies. (Director of Comp and Org. Design)
    - Develop a customer service tool that all centralized agencies will use on an annual basis to assess how well centralization is understood and how well it is working (Deputy Director)

# Case Study-State Personnel

- Strengthen communications and improve customer service to our citizens.
  - Improve the effectiveness of communication with state employees in terms of content and accessibility.
    - Develop a plan to increase the number of state employees who receive SPD communication via email by 10% by October 2007.
    - Update the look of The Interchange and implement a communication vehicle for Indianapolis employees. (Dir of Communication)

# Case Study-State Personnel

- Effectively recruit, reward and retain high potential talent into state government.
  - Drive adoption of the performance management system.
    - Establish the Employee Relations Division as a model of performance management. ( Director of Employee Relations.)

# Case Study-State Personnel

- Effectively recruit, reward and retain high potential talent into state government.
  - Develop and implement a plan to bring state employee salaries more in line with market pay.
  - Implement the new market-based broad band classification and compensation system by January 1, 2008. (Director of Compensation and Organizational Design.)

# Case Study-State Personnel

## ■ Streamline government

- Rein in the cost of employee health insurance by holding claim cost flat during this biennium.
  - Develop a plan to conduct random nicotine testing of about 150 employees who are participating in the non-tobacco use incentive. (Director of Employee Relations.)
  - Drive the participation rate in the One Care Street program to 65% of eligible employees for 2007. (Director of Benefits)



# Streamline Gov't.-Healthcare Costs

## Resources/ Inputs:

Staff/hrs.  
dedicated to  
program

Program  
budget

Assistance  
from contract  
partner

## Activities

Info  
sessions

Mailers

## Outputs

Employees  
Enrolled

## Customer

State  
employees  
and families

## Short-term

High risk  
employees  
with personal  
health coaches

## Inter- mediate

Flat to  
negative  
trending in  
claims  
submitted  
in self  
insured  
plans

## Long-term

Lower  
premiums

## PROGRAM

## OUTCOMES/RESULTS FROM PROGRAM

## External Influences

New program skepticism

# Measurement Template

Agency Name:

Agency Mission Statement:

Program Name:

Program Mission:

Fund Center(s):

	FY05	FY06	FY07	FY08	FY09
Appropriation:	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Expenditures:	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Full-time Equivalents:	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Person Responsible for Reporting Results:

E-mail Address:

Phone Number:

Description of Metric:

How will the Metric be reported (check one)?

☐ Number

☐ Dollar amount

☐ Percentage

What does the Metric measure (check one)?

☐ Input

☐ Output

☐ Outcome

Type of Metric (check one):

☐ Program

☐ Efficiency

☐ Customer Service

How frequently will the metric be reported upon (check one)?

☐ Quarterly

☐ Semi-Annually

☐ Annually

What is the desired direction of the Metric (check one)?

☐ Increase

☐ Decrease

# Workshop Dates/Times

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<b>Monday, May 21</b>	<b>9:00-10:30 am</b>	<b>Room 19</b>
<b>Tuesday, May 22</b>	<b>1:30-3:00 pm</b>	<b>Room 17</b>
<b>Wednesday, May 23</b>	<b>9:00-10:30 am</b>	<b>Room 14</b>
<b>Thursday, May 24</b>	<b>1:30-3:00 pm</b>	<b>Room 14</b>
<b>Friday, May 25</b>	<b>9:00-10:30 am</b>	<b>Room 14</b>

# Program Measure Timeline

**May 21 through May 25** - Program measures workshop

**June 15** - Agencies not on governor's quarterly reporting cycle submit proposed measures

**June 30** - OMB/New-reporting-agency agreement on measures, begin reporting

**July 15** - Agencies currently reporting submit proposed program (PROBE) measures

**August 15** - OMB/Agency agreement on program measures

**September 30** - Initiate program measurement

**Ongoing** - Support agencies interested in dashboarding internal performance measures (outputs)

# Assignments and Contact Information



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■ Tad DeHaven	General Services	234-2079	<a href="mailto:tdehaven@omb.in.gov">tdehaven@omb.in.gov</a>
■ Tristan Vance	Econ. Development	234-3840	<a href="mailto:trvance@omb.in.gov">trvance@omb.in.gov</a>
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